

TENNESSEE REGULATORY AUTHORITY

Deborah Taylor Tate, Chairman
Pat Miller, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 18, 2003

Mr. Dale Grimes
Counsel for Piedmont Natural Gas Company
315 Deadrick Street, Suite 2700
Nashville, TN 37238

Mr. Bill Morris
Director of Corporate Planning & Development
Piedmont Natural Gas Company
1915 Rexford Rd.
Charlotte, NC 28233

Mr. Timothy Phillips, Esq.
Assistant Attorney General
Office of the Attorney General, Consumer Advocate Division
Post Office Box 20207
Nashville, TN 37202

Re: Docket No. 03-00313—Application of Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. for an Adjustment of its Rates and Charges, the Approval of Revised Tariffs and the Approval of Revised Service Regulations

Dear Mr. Grimes, Mr. Morris, and Mr. Phillips:

In order to clarify your responses to the data request filed in the above-captioned docket on September 15, 2003, I request that you file the following information with the Tennessee Regulatory Authority by no later than **4:30 p.m., Friday, September 19, 2003.**

1. In the Company's response to Item 5 of the September 11, 2003 data request, the Company provided two financial schedules. The first schedule consists of two pages, and is titled "Pro Forma Margin Calculations". The second schedule is titled "Sales and Transportation Rates and Revenues".

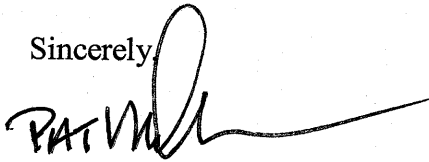
On the "Sales and Transportation Rates and Revenues" schedule, the Company uses sales volumes of 10,586,231 Dth and 6,834,650 Dth to respectively calculate the sales margin for its Residential and Commercial customer classes.¹

On the "Pro Forma Margin Calculation" schedule, the Company shows the development of the Residential and Commercial sales volumes of 10,586,375 Dth² and 6,811,344 Dth³ respectively from adjustments for normalization and growth. However, the normalization and growth adjustments for the Residential and Commercial customer classes as shown on the "Pro Forma Margin Calculation" schedule differ from these same adjustments that were included on Exhibit DRC-1 in the Company's petition.

Please provide a detailed explanation of the difference in sales volumes discussed above and supply appropriate supporting documentation.

If there are any questions regarding these requests, the parties should jointly contact me at (615) 741-4648.

Sincerely,



Pat Miller, Director
Tennessee Regulatory Authority

C: Deborah Taylor Tate, Chairman
Sara Kyle, Director
Ron Jones, Director
Aster Adams, Chief of Economic Analysis and Market Monitoring Division
Richard Collier, General Counsel
William H. Novak, Chief of the Energy and Water Division
Mr. George H. Godwin, Jr., Executive Director
Associated Valley Industries
1204 Cleo Avenue, SE
Decatur, AL 35601

¹ The column heading for these sales volumes refers to footnote "A/" which is not included on the schedule.

² No explanation is given for the difference in the Residential sales volumes between the two schedules.

³ No explanation is given for the difference in the Commercial Sales volumes between the two schedules.